ABSTRACT OF THE DISCLOSURE

Sub a37 A lending system for making secure loans and including a model and an associated procedure particularly adaptable for establishing loans of a hard or stabilized currency, such as but not limited to US dollars, to a borrowing entity which utilizes the loan proceeds in a secondary economy historically characterized by unstable monetary conditions. A lending entity makes a stable currency loan at a first interest rate, based on a currently available lending rate of the stable currency. An amortization schedule to satisfy the loan is established and is characterized by a portion of the loan being paid at a second interest rate commonly associated with the lending rate of the local currency of the secondary economy, which is significantly greater than the first interest rate. A remainder or second portion of the loan is amortized at the first interest rate on which the loan was also based. A reserve fund is established and retained to facilitate payment or satisfaction of the loan in the event of instability of the secondary economy and/or the inability of the borrowing entity to amortize the loan in accordance with the pre-established amortization schedule. The reserve fund is derived from the difference between the higher amortization payment, made at the second interest, and the amount of the lesser payment amortized at the lower first interest rate, at which the loan was actually established.